



2025/26 Budget and Practising Certificate Fees (PCF) Proposal December 2024 – Consultation

INTRODUCTION

1. As the approved regulator (AR) under the Legal Services Act 2007 (LSA07)¹, the General Council of the Bar (GCB) is obliged to consult the profession about the planned budget for the coming financial year, and the implications for changes to the PCF. The PCF proposal is then submitted to the Legal Services Board (LSB) for approval. The budget covers the business plans of both the representative body, the Bar Council (BC), and the operationally independent regulatory body, the Bar Standards Board (BSB).

2. The LSB is obliged by the LSA07 (Section 30) to make 'Internal Governance Rules' (IGR)² setting out requirements to be met by ARs for the purpose of ensuring that the exercise of an AR's regulatory functions is not prejudiced by its representative functions. IGR Rule 9 (regulatory resources) states that *'Each approved regulator must provide such resources as are reasonably required for its regulatory functions to be efficiently and effectively discharged.'* Rule 10 (Budget) states that: *'The regulatory body [the BSB] shall independently ... formulate its own budget in accordance with its priorities and strategy.'* **The Bar Council cannot accept or reject the BSB's budget but can seek further information** under IGR Rule 3 where it has reasonable grounds to do so, to assure itself that the required resources and budget required are 'reasonable'. The inclusion of reasonable *'requires that the resources can be objectively justified as necessary and proportionate'*.³ In *'seeking to influence the regulatory body the role of the AR is strictly limited to when it is acting in its representative capacity'*.

3. The other set of rules that the GCB, as the AR, has to follow, are the Practising Fee Rules made by the LSB under Section 51 of the LSA07⁴ and the accompanying guidance.⁵

¹ <https://www.legislation.gov.uk/ukpga/2007/29/section/51>

² <https://legalservicesboard.org.uk/wp-content/uploads/2019/07/IGR-2019.pdf>

³ <https://legalservicesboard.org.uk/wp-content/uploads/2019/07/IGR-Guidance-July-2019.pdf>

⁴ <http://legalservicesboard.org.uk/our-work/lbsb-rules-and-guidance/attachment/pcf-final-rules-2021-accessible>

⁵ <https://legalservicesboard.org.uk/wp-content/uploads/2021/02/Final-PCF-Guidance-2021.pdf>

4. The Practising Fee Rules oblige the GCB, as AR, following consultation with the profession, to set out in detail in a PCF submission to the LSB, the planned programme of ‘permitted purpose’ activity to which the practising fees will be applied. This submission needs to address the criteria of Transparency, Accountability and Proportionality. *‘Proportionality. The practising fee should be adequate to effectively discharge the approved regulator’s regulatory functions in an efficient and cost-effective manner.’* The AR must give detailed income and expenditure forecasts for three years, from and including the year for which the fee is to be levied, *‘where the approved regulator expects a material change in expenditure or income’*. The BC therefore needs to provide sufficient information, not only about its own programme of work but that of the BSB too. Please see Annex A for the detail of the BSB’s Reform Programme.

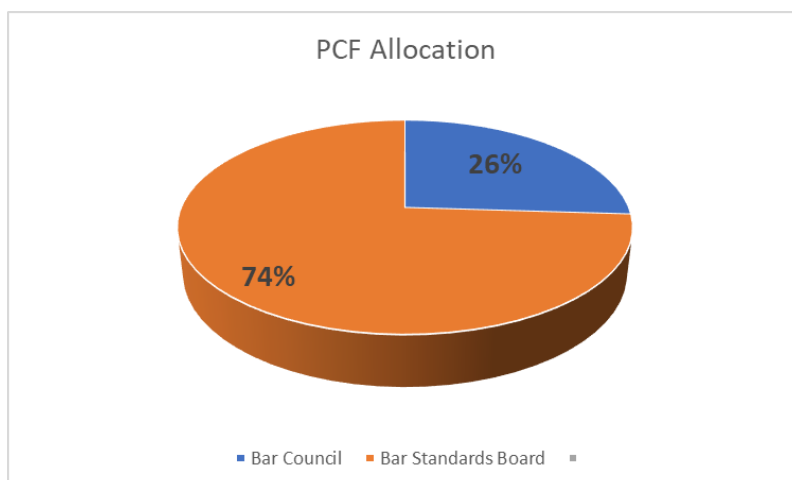
5. The proposed budgets for 2025/26 include a substantial increase in expenditure and therefore the levy on the profession will need to increase. Operating costs have increased by 12.5% (£3.2m). The largest part of the increase relates to the BSB, which accounts for 74% (£2.38m) of the total increase. Sections 44-87 and Annex A and C have been written by the BSB independently, and only formatted to fit with this paper.

6. **You are urged to consider this consultation and respond as indicated under ‘Next Steps’ below.**

PCF USAGE

7. Total PCF income is split between the BC and the BSB, taking into account the joint liability of the levies from the LSB and Legal Ombudsman (see the detail at para. 28). The split of total PCF is variable but is expected to be 26% BC / 74% BSB in 2025/26. The split in 2024/25 was 28% BC / 72% BSB. This reflects a further significant increase in the BSB’s budget.

Table 1



PCF INCOME FORECAST AND PROPOSAL FOR 2025/26

8. Our latest projections of PCF income for 2025/2026 show that any additional PCF income due to new barristers joining the profession and barristers moving up through the income bands (demographic changes) would be insufficient to cover the projected increase in total expenditure of 11.7%, £3.16m.

9. During the Covid pandemic and high inflation immediately after the Russian invasion of Ukraine (2022/23), we were able to limit PCF increases on the profession. This was achieved by using the CBILS loan and the funds previously earmarked for the closed defined benefit (DB) pension deficit recovery plan. We have now fully depleted those options (and repaid the loan). In order to keep financially stable and maintain a satisfactory level of reserves, **the proposed increase in PCF for 2025/26 will amount to 8.5%**. A large proportion (74%) of the increase is due to the BSB Reform Programme. Of the BSB cost increase, 89% is recurrent and 11% is non-recurrent. BSB income is also split between costs supported through the PCF and costs recovered through a revision of regulatory charges, with the aim of full cost recovery. This will help the GCB deliver a balanced budget. The BSB should achieve a break-even budget and no longer rely on the reserves to finance operational expenditure. The proposed 8.5% increase in PCF means the expected PCF gross income for 2025 /26 will rise to £24.75m. The total income for the GCB is expected to be £30.709m with total expenditure expected to be £30.124m leaving an estimated surplus of £0.585m. This does not include the recent increase in Employer's National Insurance, which is estimated to cost £277k pa, reducing the predicted surplus to £308k.

10. It is proposed to apply the 8.5% increase to every band. We are also proposing to increase the top of Band 1 to £40,000 to help some of those who would otherwise be in Band 2.

11. The proposed PCF bands and fees for 2025/26 are:

Table 2

Band	New Banding	2024/25 Fees	8.5% Increase	2025/26 Fees
1	£0 - £40,000	£110	£9	£119
2	£40,001 - £60,000	£291	£25	£316
3	£60,001 - £90,000	£585	£50	£635
4	£90,001 - £150,000	£1,064	£90	£1,154
5	£150,001 - £240,000	£1,616	£137	£1,753
6	£240,001 - £350,000	£2,191	£186	£2,377
7	£350,001 - £500,000	£2,341	£199	£2,540
8	£500,001 - £750,000	£2,961	£252	£3,213
9	£750,001 - £1,000,000	£3,133	£266	£3,399
10	£1,000,001 - £1,500,000	£3,553	£302	£3,855
11	£1,500,001 and over	£3,760	£320	£4,080

12. PCF income will increase by 12.6% consisting of a 4.1% demographic increase in PCF (based on budgeted not actual PCF collection) together with the proposed 8.5% PCF increase. Other regulatory and non-regulatory income is predicted to increase by 18.9%. This gives a combined increase in total income of 13.8%.

Table 3

General Council of The Bar Budget 2025-26 P&L	Bar Council 2025-26 £000's	BSB 2025-26 £000's	Budget 2025-26 £000's	Budget 2024-25 £000's	Variance to 2024-25 £000's	Variance to 2024-25 (%)
Income						
PCF Income	6,437	18,321	24,758	21,980	2,779	12.6%
Non-PCF Income	2,622	3,329	5,951	5,006	945	18.9%
Total Income	9,059	21,651	30,709	26,986	3,723	13.8%
Total Staff-Related Expenditure	4,773	13,126	17,899	15,099	(2,800)	-18.5%
Total Non-Staff Costs	3,374	7,669	11,043	10,623	(420)	-3.9%
Total Operating Costs	8,147	20,795	28,942	25,722	(3,219)	-12.5%
Total Non-Operating Expenditure	307	875	1,182	1,238	56	4.5%
Total Expenditure	8,454	21,670	30,124	26,960	(3,164)	-11.7%
Total Surplus/(Deficit) after Adjustments	605	(19)	585	26	559	

13. Since 2021 the GCB has used its reserves to help mitigate the effect of PCF increases on the profession. The strategy was instigated to try and shield the profession from the recent extreme economic events; COVID, the impact of a war in Europe and the cost of living, with the return of high inflation. The strategy of containment, offset by the BSB's budget demands, led to there being no increase in 2021, a 4.5% increase in 2022, a 5% increase in 2023 and a 9.5% increase last year. In the same period to this Autumn, inflation rose by 23%. In the face of the sustained increase in costs the GCB must maintain and replenish its reserves to provide financial stability. Unfortunately, we are no longer able to mitigate the PCF increase to the extent we did in previous years.

14. In 2017/18 PCF was increased by 12% to raise funds for the DB Pension Scheme deficit recovery plan. When the DB Pension Scheme moved to surplus these allocated funds were used to limit the increase in PCF. We are actively pursuing a buy in solution for the DB Pension Scheme. This will eventually remove the DB pension financial risk and should also lead to administrative savings.

15. The increase in PCF remains high largely due to the BSB's reform and re-organisation programme and non-recurrent costs relating to the Post Office investigations. The increase in PCF in the coming years will be dependent on the conclusion of the BSB's reform and re-organisation programme and the eventual dropping away of the non-recurrent costs. This will be revisited on an annual basis.

OPERATING EXPENDITURE (variance to 2024/25)

16. The proposed increase in operating expenditure for the GCB is £3.2m (a 12.5% increase on the current year's budget):

Table 4

	2025-26 Operating Cost variance to 2024-25 budget			Total Variance to Budget £000's	% of Total Operating Costs %
	Bar Council 25-26 v 24-25 £000's	RGP 2024-25 £000's	BSB 2024-25 £000's		
Total Staff-Related Costs	(226)	(335)	(2,239)	(2,800)	87%
% total Staff Cost increase	8%	12%	80%		
Total Non-Staff Costs	(190)	(87)	(143)	(420)	13%
% total Non Staff Cost increase	45%	21%	34%		
Total Operating Costs	(415)	(421)	(2,381)	(3,219)	
% total Operating Cost increase	13%	13%	74%		

“RGP” stands for Resources Group, it provides shared services to the BC and BSB.

17. The main drivers for the proposed increase in operating costs are explained below:

- Staff costs are 87%% of the total increase. They will increase by £2.779m (an 18.5% increase on the 2024/25 budget). The main driver is additional staff for the BSB reform and re-organisation programme and the continuing five-year plan to level up the pay of regulatory staff to the median of other regulators. The proposal includes a projected salary contingency of 6%. The rest of the increase is due to out of cycle salary increases and restructuring of teams. Non-regulatory staff pay will be reviewed and the actual annual salary increment agreed by April next year, depending on inflation and labour market conditions.
- Non-Staff costs have increased by 3.9% (£419k) compared to the 2024/25 budget. The non-staff cost increase accounts for 13% of the total cost increase. Bar Council costs have increased by £190k, joint Resources Group costs have increased by £87k and BSB non-staff costs have increased by £143k.
- Non-operating Costs have decreased by £56k due to the reduction in budgeted LSB expenditure.

GCB OPERATING COSTS

Staff Costs and Non-Staff Costs

Table 5

	25/26 £000's	24/25 £000's	Change £000's	% Change
Staff Costs				
Bar Council	3,926	3,700	226	6.10%
BSB	10,716	8,477	2,239	26.42%
Resources Group	3,257	2,922	335	11.46%
	<u>17,899</u>	<u>15,099</u>	<u>2,800</u>	<u>18.54%</u>

Table 6

	25/26 £000's	24/25 £000's	Change £000's	% Change
Non Staff Costs				
Bar Council	1,928	1,739	190	10.90%
BSB	3,555	3,412	143	4.19%
Resources Group	5,559	5,472	87	1.59%
	<u>11,043</u>	<u>10,623</u>	<u>420</u>	<u>3.95%</u>

GCB

18. Staff costs have increased by £2,800k due to additional staff, out of cycle salary increases and a 6% base contingency for all salary-related expenditure. Non-regulatory staff pay will be reviewed, and the actual annual salary increment agreed prior to April next year, depending on inflation and the labour market. The following graphs chart the change in costs and headcount compared to the previous year's budget.

Table 7

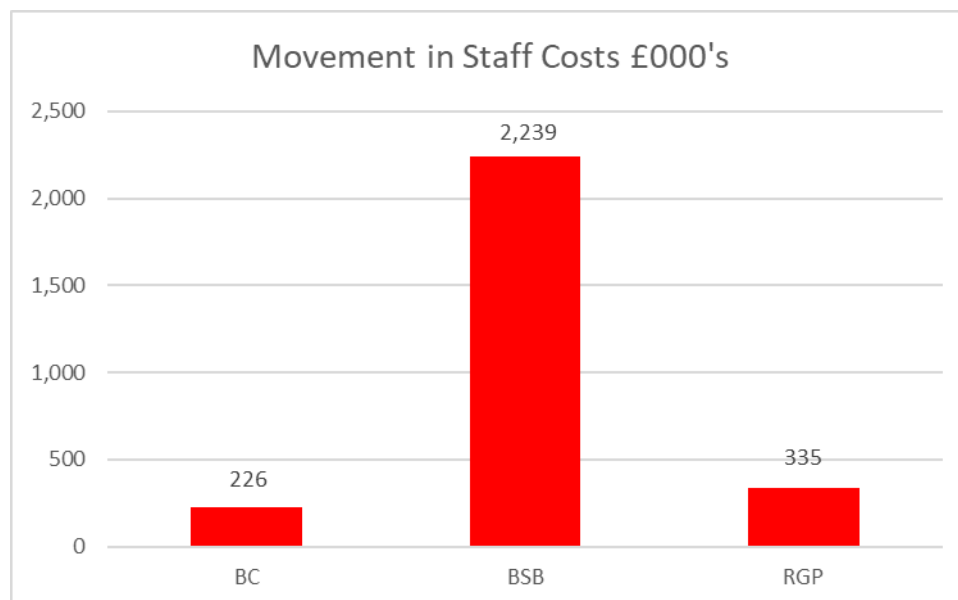
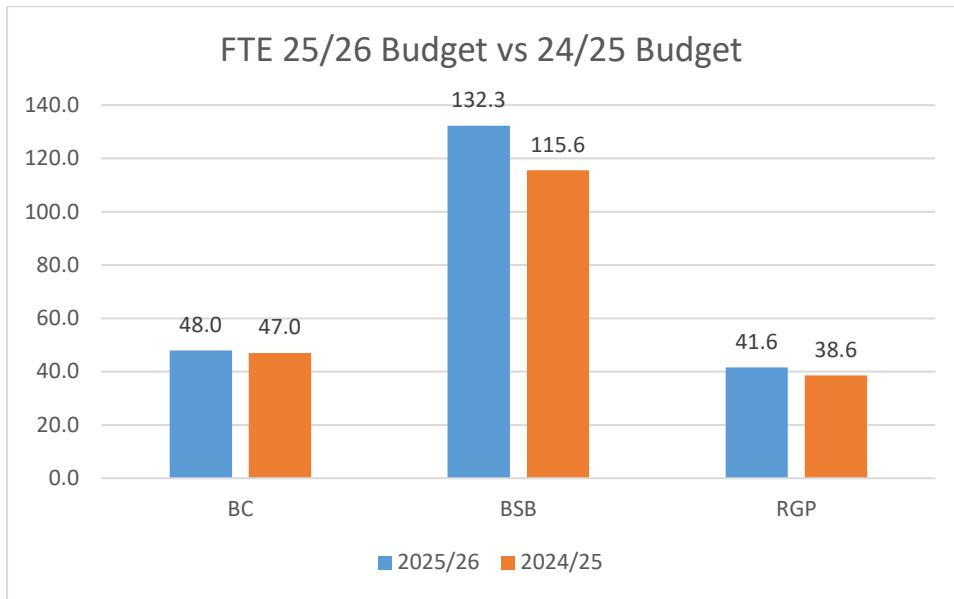


Table 8



Bar Council

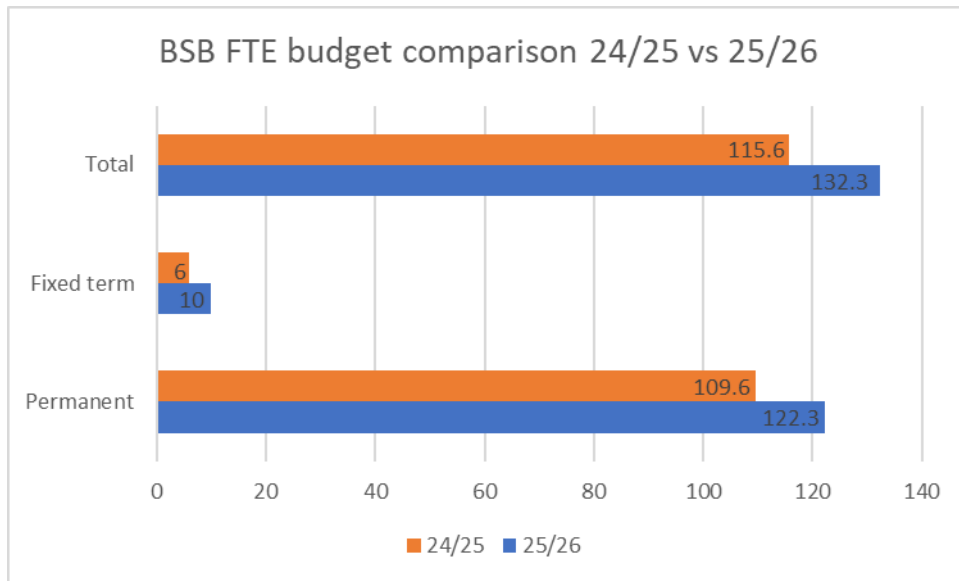
19. The Bar Council budget includes a 6% increase in staff costs as a contingency to cover wage inflation and recruitment costs. This may be overly cautious given current inflation.

20. There will be an 11% increase in non-staff costs (£190k). The increase in costs is due to additional activity relating to training, research, inflation and external consultancy.

Bar Standards Board

21. BSB staff costs increase by 26%, with a total FTE of 132.3. Of these 122.3 are permanent (110 in 2024/25) and 10 are fixed term (6 in 2024/25). This includes 13 new permanent posts to achieve the Target Operating Model established from the Fieldfisher end-to-end enforcement review. There are 4 new fixed term employees for the reform and re-organisation programme.

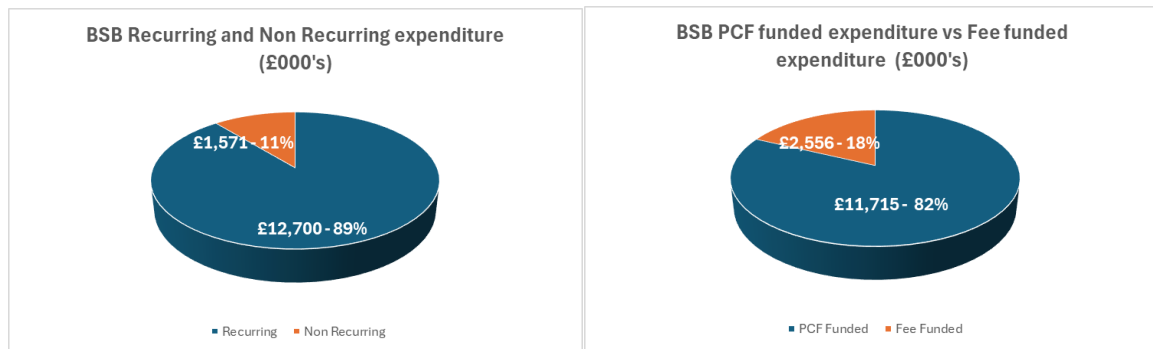
Table 9



22. Non-Staff costs increase by £143k (4%) compared to the 2024/25 budget. The main reasons are a £94k increase in Exams for their online platform, inflation rise, additional candidates and Ethics question writing review. The remainder is due to net increases across the rest of the departments.

Recurring and Non-Recurring costs

Tables 10 & 11



23. 89% of the BSB costs are recurring with 11% being non-recurring (due to the reform and re-organisation programme and additional resources needed for the Post Office cases and other costs relating to the reduction of backlogs).

24. 82% of the BSB expenditure is funded through the PCF. A review of regulatory charges is being undertaken with the aim of moving towards full cost recovery for those expenses relating to chargeable services.

Resources Group

25. RGP staff costs increase by 11% (£335k). This includes a 6% increase that has been built into salary budgets to cover wage inflation and recruitment costs. The

remaining increase is due to an additional 3 FTE's including Finance and IS support, largely to support the increase in demand across the GCB and additional cyber security responsibilities.

26. Non-staff costs have increased by £87k (2%) from the 2024/25 budget. They are:

- £73k increase in IS costs which includes inflationary increases on licensing and support costs.
- £124k increase in corporate overheads (£107k increase in financing overheads and £17k increase in HR overheads). This includes inflationary increases across various recurring costs combined with additional pension buy-in related expenditure.
- £14k saving on depreciation
- £97k saving on facilities costs for the service charge, energy and other one-off expenditure not expected to take place in 2025/26.

NON-OPERATING EXPENDITURE

Table 12

	25/26	24/25	Change	% Change
Non Operating Expenditure	£000's	£000's	£000's	
DB Pension	0	0	0	
LSB/OLC Costs	1,142	1,198	(56)	4.9%
Other Costs	40	40	0	
	<u>1,182</u>	<u>1,238</u>	<u>(56)</u>	<u>4.5%</u>

27. Non-Operating Costs have decreased by £56k due to the reduction in budgeted LSB expenditure.

SPLIT OF PCF INCOME

28. The GCB organisational overheads and those of the LSB/OLC levy and the DB Pension scheme are split between the BC and BSB, based on the relative permitted purposes expenditure of each (see below).

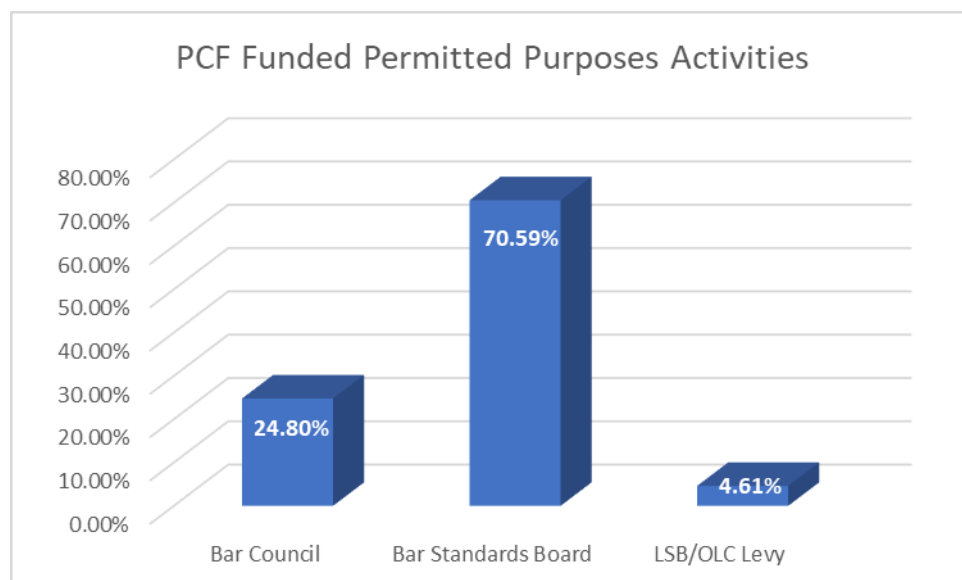
Table 13

	PCF Funded Permitted Purpose Activities £000's	PCF Funded LSB/OLC Levy £000's	Legacy DB Pension Scheme £000's	Total PCF £000's	
2024/25 Forecast	Bar Council	5,809	301	-	6,110
		26.33%	1.36%	0.00%	27.69%
	Bar Standards Board	15,168	786	-	15,954
	68.75%	3.56%	0.00%	72.31%	
Total	20,977	1,087	-	22,064	
2025/26 Proposed	Bar Council	6,140	297	-	6,437
		24.80%	1.20%	0.00%	26.00%
	Bar Standards Board	17,476	845	-	18,321
	70.59%	3.41%	0.00%	74.00%	
Total	23,616	1,142	-	24,758	

* Please note %'s are of the Total PCF

29. The graph below also shows the allocation of PCF to Permitted Purposes activities.

Table 14



Permitted purposes Programme of Activity:

Table 15

Proportion of activity that is for Permitted Purposes								
Functional Area	Permitted Purposes Gross Cost (£m)	51(4)(a)	51(4)(b)	51(4)(c)	51(4)(e)	51(4)(f)	(Max 100%)	Not in Scope of PP
Levies								
Legal Services Board	0.457		100%				100%	
Legal Ombudsman	0.685		100%				100%	
Tax/Interest Expense	0.040						100%	
Bar Standards Board								
Authorisations	1.543	100%					100%	
CAT	1.586	100%					100%	
Supervision	1.079	100%					100%	
Examinations	1.490	100%					100%	
Corporate Services/Governance	1.353	100%					100%	
Board	0.375	100%					100%	
Communications	0.238	100%					100%	
Public Engagement	0.237	100%					100%	
Programmes	0.678	100%					100%	
Regulatory Risk	0.487	100%					100%	
Equality & Access to Justice	0.192	100%					100%	
Policy & Research	1.143	100%					100%	
Enforcement	2.587	100%					100%	
Legal Support	0.635	100%					100%	
HR	0.650	100%					100%	
Overheads - Resources Group	6.523	100%					100%	
Bar Council								
Policy Directorate	0.675	90%					90%	10%
Equality, Diversity & CSR	0.917	90%					90%	10%
EU Law	0.207			40%		60%	100%	
International	0.620					80%	80%	20%
Law Reform, Regulatory & Ethics	0.300	60%		25%	10%	5%	100%	
Remuneration & Legal Practice	0.403	45%		45%		5%	95%	5%
Communications	0.851	15%		30%	15%	15%	75%	25%
Corporate	2.595	45%		15%	15%	15%	90%	10%
Total Gross P&L Expenditure	28.545							

The Bar Council

30. The Bar Council provides a broad range of services to barristers. The PCF supports these activities under a number of the permitted purposes as follows:

Permitted purpose 51a - the regulation, accreditation, education and training of applicable persons

31. A significant proportion of the Bar Council's work is allocated to this permitted purpose. A notable example of our work in this area is diversity and inclusion, in particular promoting equality, diversity and inclusion (including social mobility) in the profession. We provide advice and support, training and guides for individual barristers and their chambers and employers. In addition, specific positive action programmes cover (i) access, (ii) retention and (iii) progression at the Bar, all of which contribute towards creating a more inclusive profession

32. A significant area of work relates to the education, training, and provision of leadership to the profession on the regulatory environment in which barristers and chambers operate, including raising awareness of key regulatory developments.

33. This work supports our strategic aim of providing services, guidance, information and training to maintain and raise professional standards, and to help overcome challenges that can hinder practice at the Bar.

34. Our work on providing practical advice and support on practice management falls under this permitted purpose, including drafting practice management guidance for the Bar and arranging practice management seminars on both new areas of interest and updates on existing matters (for example, an ongoing priority area is income monitoring and fair distribution of work). Similarly, policy work relating to remuneration and legal practice, including issues focused on access to justice, court reform and digitisation, and the administration of justice, fall under this permitted purpose.

35. This work supports our strategic aim of supporting barristers, chambers and alternative business models with practice management disciplines in the interests of statutory and regulatory compliance, making the profession more resilient.

36. In addition to the work outlined above, our policy work in relation to the Bar's ethical standards and obligations, which includes management and provision of the Ethical Enquiries Service, also falls under this permitted purpose. As well as maintaining an up-to-date and growing online ethics guidance resource (www.barcouncilethics.co.uk), a team of Ethics Advisers respond to some six thousand telephone and email enquiries from barristers each year. We also deliver seminars to support barristers in understanding their ethical obligations, on the topics of common ethics issues when practising at the Criminal Bar. Our approach is to highlight new aspects of ethics but also areas which may have developed, so that barristers can fully understand how their ethical obligations are evolving.

37. This work supports our strategic aim of providing services, guidance, information and training to maintain and raise professional standards, and striving to ensure that the work of the Bar remains committed to the highest ethical standards.

Permitted Purpose 51c - participation in law reform and related legislative process law reform, legal practice and permitted purpose 51e - the promotion of the protection by law of human rights and fundamental freedoms law reform

38. Our work allocated to these permitted purposes covers a broad range of issues including civil, family, and criminal justice and a variety of areas of law. Aspects of our research work are allocated to this permitted purpose so that we may inform the legislative and law reform process from a firm evidence base. We also include a proportion of our European work under this purpose since the European Union has a significant and ongoing programme of law reform which we both monitor and comment on, where appropriate.

39. Much of our law reform work relates to monitoring and responding to consultations that impact on the administration of justice. This includes working on matters covering a broad range of legislative matters, contributing to the Law Commission's programmes of law reform and raising awareness of current law reform issues through events such as our annual law reform lecture. An example of a significant focus of ongoing law reform work relates to Strategic Lawsuits Against Public Participation, which is likely to continue until such time as a legislative solution to this issue is identified. We also draft briefings for members of Parliament in relation to a broad range of bills so that we can assist Parliamentarians at all stages of a bill's journey and offer suggested drafting amendments as required.

40. This work supports our strategic aim of championing the rule of law and access to justice for all.

Permitted purpose 51d - the provision of applicable persons of legal services or reserved legal services, immigration advice or immigration services to the public free of charge

41. We have a Pro Bono and Social Responsibility stream of work which involves leading work in promoting pro bono work in particular, by liaising with pro bono charities and organisations involved in promoting access to justice. We support Advocate (formerly the Bar Pro Bono Unit) which provides a vital service to people who would otherwise have no access to justice.

42. This work supports our strategic aim of championing access to justice for all.

Permitted purpose 51f - promotion of relations between the approved regulator and national or international bodies, governments or the legal professions of other jurisdictions

43. We carry out a wide range of international engagements liaising with national, regional and global level organisations including, for example, the Commonwealth Lawyers Association and the International Bar Association. We also work closely with the legal professions and, as appropriate, governments of other jurisdictions across the world. A key aspect of our work under this permitted purpose is to support and promote the rule of law internationally and the development of the standards of the legal profession at the international level, bearing in mind that these also have an impact on the practice of our own profession. We seek to share best practice and knowledge with colleagues based in other jurisdictions but also to learn from them so that their experiences can help influence and improve the delivery of justice and rule of law in this jurisdiction. This work supports our strategic aim of championing the rule of law.

Bar Standards Board programme of activity 2025/26 (authored by the BSB)

Allocation of resources across BSB function

44. The Bar Standards Board's three-year strategy from 2022-25 included a commitment to the following priorities:

- **Efficiency:** delivering its core regulatory operations quickly, economically and to a high standard. The Board's top priority is to improve performance in core regulatory operations;
- **Standards:** ensuring that barristers provide a high quality and responsive service throughout their careers;
- **Equality:** promoting equality, diversity and inclusion at the Bar and at the BSB, and the profession's ability to serve diverse consumers;
- **Access:** promoting consumer understanding of legal services and choice, and good value in using those services; and
- **Independence:** strengthening the BSB's independence, capability, self-confidence and credibility.

45. During the course of the last business year, the BSB published a review by FieldFisher of its enforcement processes and completed a number of reviews as part of its continuous improvement agenda.

46. Following a period of reflection, the BSB has agreed that it is necessary to implement a challenging Reform Programme. This programme is driven by a vision of the Bar Standards Board as an exemplary and collaborative public interest regulator. We see the BSB: (i) acting on the basis of intelligence-led insights which enable us to anticipate risks to our regulatory objectives and to the interests of consumers in a trusted, diverse and professional Bar; (ii) as modern and efficient in the delivery of its gatekeeping, oversight and enforcement functions; (iii) as engaging its people who are agile, outward-looking and proactive in deploying a range of regulatory interventions to realise our public interest objectives. The Reform Programme has three components:

- Consumer focused, proactive regulation:** The BSB will be a far-sighted regulator, on the front foot by (i) ensuring that there is a consumer focus in everything we do, (ii) overhauling our approach to analysing regulatory risk and improving the flows of intelligence and research that inform that analysis, (iii) building a deep understanding of how new technologies can support the delivery of legal services and consumers' access to those services, and (iv) active engagement with our stakeholders, particularly those representing consumers;
- Modernising delivery:** We will use the full range of regulatory interventions effectively in managing risks to our public interest objectives and to deploy those interventions as efficiently as possible. We will reform our enforcement arrangements to reflect the recommendations of the FieldFisher review so that those arrangements are as efficient, prompt and responsive as they are already fair. By applying AI and other technologies to operational processes, we will enhance efficiency and we will establish a regulatory standards department which upholds the quality, accessibility and relevance of professional standards throughout barristers' careers, from qualification to retirement;
- Engaged and committed people:** Building on high levels of engagement, we will ensure everyone at the BSB feels included, recognised and able to make a difference. We will evolve our existing values to emphasise empowerment and agility, by re-organising to focus on intelligence-led proactive regulation and on operational excellence and by ensuring the BSB has the resources and capability needed to be effective.

47. In considering our Business Plan for 2025/26, we will prioritise this programme of reform in order to maximise the Bar Standards Board's public interest objectives and to ensure that the BSB is fit for the future. The effect of this prioritisation will be that 2025/26 shall be a transitional year, as we move towards our new strategy. Before adopting the new strategy, we

want to ensure that we have the foundations in place for it to succeed. Therefore, in addition to the priorities listed above, we will be consulting stakeholders extensively on a new strategy, and the outcomes that we will seek to achieve, which will run from 2026. We will shortly be issuing a call for evidence, seeking input into our emerging thinking. This will, for the first time, involve direct engagement with consumers as part of the strategy formation.

48. This programme of work will be taken forward through the BSB's functions and associated budgetary provision as follows.

How the BSB functions support the regulatory objectives and strategic priorities

49. In order to show the changes in expenditure since last year, we have kept the same functional descriptions as in last year's consultation, but we have organised these functions around the new structure, which the BSB is implementing from 2 December, as a key part of the Reform Programme. More information is available in the Reform Programme explained document. ANNEX A

Regulatory Standards (approx. 30%)

50. This Department will ensure that professional standards evolve to support the BSB's strategy, including to respond to changing consumer expectations and new technologies, and are reflected and adhered to in professional formation and conduct from qualification to retirement. The Department will include the Supervision, Examinations and Authorisation functions and will have a policy capacity to underpin the qualification and continuing professional development of barristers and the key documents which support that process.

Supervision (8% of budget)

51. The Supervision function has responsibility for the BSB's risk-based regulation of chambers, employers, BSB authorised entities, individual barristers and authorised training providers. It includes supervision of activities such as pupillage, the transparency rules, equality and diversity compliance, anti-money laundering and bullying and harassment. In doing so, its supervision work protects consumers and promotes the diversity, independence and quality of the profession.

52. The BSB's Supervision work is central to the development of its strategic priorities. The relationships the BSB has with its regulated communities through its proactive supervision provides evidence to support innovation and the use of technology by barristers and helps target regulation where it is needed. It enables the BSB to understand how work is allocated within chambers, how standards of practice are maintained and how governance and decision making within chambers are undertaken.

Examinations (11% of budget)

53. The BSB's Examinations Team is responsible for the setting and marking of two assessments during the vocational component of Bar Training (Civil Litigation and Criminal Litigation) and of Professional Ethics during the pupillage component. The budget is set to ensure that we have sufficient resources to commission question-writers, and to engage standard setters, markers and those who provide quality assurance scrutiny; we also resource the Centralised Examinations Board which provides appropriate oversight and confirms final

marks. We also budget for services from ARC printers and couriers, and for Surpass, which provides the digital platform for delivery of the Professional Ethics exam plus a question-banking and authoring solution.

Authorisations (11% of budget)

54. The BSB's Authorisations Team is responsible for the authorisation of Bar and Pupillage Training Providers, and for assessing applications for waivers and exemptions from Bar training and practising requirements.

55. The budget allocated to the BSB's authorisation functions will ensure the timely, high quality and consistent assessment of authorisation decisions. In doing so it gives consumers and others confidence in the service the BSB provides and confidence that barristers are subject to rigorous assessment before entering the profession. The authorisation of chambers and entities as providers of pupillage training, as well as the development of new pathways for entry to the profession such as apprenticeships, helps ensure a good supply of new entrants to the profession and encourages diversity. We are currently addressing a significant increase in the volume of applications from overseas lawyers for waivers from our qualification rules. We have responded to this by creating a time-limited task force within the Authorisations team to tackle the backlog of cases. That Task Force will continue into 2025/26. We are also, as reported to the Board at its meetings in September and November of 2024, addressing the root cause of the long processing times involved in these applications by commissioning an independent mapping of overseas qualifications and experience to our Professional Statement and, on the basis of this mapping, developing some straightforward decision rules to support the work of the Team and improve efficiency with no loss of rigour.

Regulatory Enforcement (approx. 29%)

56. This Department will take prompt and effective action to enforce professional standards where these are breached and where enforcement is necessary for the protection of the public and/or as a deterrent to unprofessional behaviour. The department will be responsible for the end-to-end enforcement process.

Contact and Assessment (11% of budget)

57. The Contact and Assessment function is responsible for assessing reports about the conduct of barristers and for taking initial decisions on whether the report identifies a potential breach of the BSB Handbook that requires further investigation. So the function promotes adherence to the professional principles and protects consumers.

58. The budget for Contact and Assessment is set to ensure that reports about barristers are handled in line with the BSB's published service standards and that we take high quality and consistent decisions. Information from reports is a valuable source of evidence to support our policy development and to evaluate the impact of the BSB's regulation. It will be particularly useful as the BSB develops its relationship with chambers and will contribute to its assessment of compliance with requirements around equality, diversity and inclusion.

Enforcement (18% of budget)

59. This function includes the full range of the BSB's enforcement work from investigation through to disciplinary action and any associated work such as appeals, interim suspension

and fitness to practise cases. Accordingly, the function protects the public interest, the rule of law and the interests of consumers, while also contributing to a strong and diverse profession and to upholding the professional principles.

Legal and Information Management (approx. 4%)

60. This Department will own legal risks arising from the delivery of our regulatory functions, will handle litigation, provide legal advice to the organisation, will develop decision-making policies and guidance and oversee and support knowledge management systems. The department will also lead on compliance with our statutory information law responsibilities.

Legal Support (4% of budget)

61. This function includes legal support and legal knowledge management across the full range of the BSB's regulatory decision-making functions, including litigation arising from such decisions. Accordingly, the function supports all or most of the regulatory objectives and the strategic priorities but makes a particular contribution to the efficient and effective conduct of regulatory operations.

Strategy, Policy and Insight (approx.. 12%)

62. Drawing on enhanced data, intelligence and research, this Department will identify future and current risks to the public interest, as defined by the Regulatory Objectives, and develop timely consumer-focused strategies to mitigate those risks and to seize opportunities. It will own our Handbook and Code of Conduct and lead on updating them. The Department will continue to lead on diversity at the Bar.

Regulatory Risk (3% of budget)

63. The Regulatory Risk function identifies risks to the regulatory objectives and works with the Board and Senior Leadership Team to prioritise them. This forms the basis of the BSB's strategic priorities as an organisation. The function also monitors the available evidence in relation to developments in the market and the BSB's response, managing its Risk Framework and regularly reporting to the Board. This ensures that the BSB is regularly evaluating any new evidence and reviewing its priorities. As such, the BSB's regulatory risk work takes account of all of the regulatory objectives, and by working with the Board to establish a risk appetite and relative priority, guides how the BSB promotes the regulatory objectives. Its work also applies across all strategic themes and contributes expertise to a range of projects that are established in response to the risks that have been identified (for example, to the BSB's proposed first data and intelligence strategy.)

Equality (1% of budget)

64. The Equality function promotes equal access to, and diversity within, the profession, working in partnership with stakeholders. It also promotes the interests of diverse and vulnerable consumers across the work of the BSB. It reports to the BSB's Equality Programme Board and commissions research, undertakes consultation and stakeholder engagement, conducts training and assists with embedding good practice in equality impact assessment across the organisation to ensure that equality and diversity issues are properly taken into account. The BSB is currently consulting on the overhaul of the *Equality Rules*. We will then review the responses to the consultation. We anticipate that we will bring forward final proposals (updated, as appropriate, in the light of consultation responses) for implementation

from the 2025-26 business year. As such the function contributes to encouraging an independent, strong, diverse and effective legal profession and to improving access to justice by considering the needs of a diverse range of consumers and working with the profession and others to eliminate barriers to access.

65. In taking forward the BSB's strategy, the function will promote best practice in chambers' oversight of diversity by working with chambers and others in the profession. It will also contribute to improving access to justice by ensuring that new barristers joining the profession are drawn from diverse backgrounds to reflect the society they serve and by working to understand and minimise the barriers to progression for certain groups. And the function supports other projects across the organisation to ensure that equality, diversity and inclusion issues are at the heart of the BSB's work. Approximately 40% of activity is project-related.

Policy and Research (8% of budget)

66. The Policy and Research function draws on evidence of risk to the regulatory objectives to identify projects and programmes that will address those risks and evaluates the impact of those projects. Specifically:

- by reviewing the BSB's Code of Conduct and related regulatory arrangements, the function promotes all regulatory objectives, but particularly: the public interest; the rule of law; the interests of consumers; and the professional principles;
- by developing rules on transparency and working with the other regulators on a range of projects relating to innovation and technology, digital comparisons and unbundling, the function promotes in particular: competition; the interests of consumers; and access to justice;
- by working with colleagues on the Assuring Competence Programme, the function particularly promotes the interests of consumers and the professional principles;
- by undertaking research and evaluation focusing on the needs of consumers, it promotes the interests of consumers; and
- by focusing research and evaluation activities on other risks in the market, it promotes all regulatory objectives to differing degrees.

67. The function will contribute to the strategic priorities by:

- providing consumers with confidence in using the services of barristers by incorporating consumer feedback into the development of our new strategy and the BSB's projects to reform regulatory arrangements, and evaluating their impact;
- maintaining and improving access to justice: by researching barriers to entry and progression in the profession and evaluating the impact of regulatory interventions; understanding the needs of consumers through commissioned research; working to promote transparency and competition in collaboration with the other regulators and other stakeholders; and improving the BSB's understanding of how consumers choose barristers.
- enabling the benefits and mitigating the risks of innovation and technology: by working with the other regulators to understand innovations in the market and remove regulatory barriers; piloting new approaches to unbundling and online comparisons; providing waivers or relaxing regulation where necessary to facilitate innovation and remove barriers; and understand how the BSB's regulation needs to evolve.
- helping to implement the BSB's Data and Intelligence Strategy

Business Planning, Programmes and Engagement (approx. 8%)

68. This Department will ensure that we have the business plans and resources needed to deliver our strategy and to deliver our functions, execute major programmes of work efficiently and to time, communicate effectively to our stakeholders about our plans and performance and ensure that our stakeholders are encouraged to engage with us so that all our policy making takes full account of its likely impact and their views.

Communication and public engagement (2% of budget)

69. The CPE function supports all other BSB teams in the pursuit of the BSB's regulatory objectives. It publishes information about BSB's work, including its strategy and business plan, and promotes awareness and involvement in that work through a programme of prioritised engagement with key stakeholders involving both Board and executive team members. The function leads, in particular, on actions to improve engagement with consumers and organisations representing consumers.

Public Legal Education PLE (2% of budget)

70. The PLE function meets the objectives of "improving access to justice" and "increasing public understanding of citizens' legal rights and duties" and is pursued through our membership of *Legal Choices*, the publishing of materials on the BSB's own website and via the Press and in partnership with other regulators and with charities supporting those in legal need.

71. PLE comes under the strategic priority of "maintaining and improving access to justice" and involves ensuring that individuals, and the organisations advising them, have a good understanding of the services barristers can provide and working with other regulators and frontline advice providers to ensure that the public have a better understanding of their legal rights and duties, the legal services market and how to access legal advice.

Programmes (4% of budget)

72. The Programmes function sets standards for the delivery of the programmes and projects which represent the BSB's principal means of delivering strategic interventions. The function also promotes the development of project management skills across the BSB and supports the delivery of individual programmes and their constituent projects.

Director General's Office (approx.. 12%)

73. This team will support the governance of the organisation.

Governance and corporate services (12% of budget)

74. This function ensures that governance in the Bar Standards Board reflects best practice, including adherence, where appropriate, to the UK Corporate Governance Code. The function plays a key role in setting, and overseeing, standards for the quality of Board papers and for streamlining governance documents.

People and culture (approx. 5%)

75. This Department will ensure that the Bar Standards Board's people are engaged and empowered, are motivated by compelling and relevant values and work within a diverse, inclusive and proactive culture.

People (5% of budget)

76. The People function leads work to define a culture and values for the Bar Standards Board appropriate to an independent regulator and to put in place the policies for the recruitment, remuneration, retention and development of its people which will sustain BSB's self-confidence and ability to deliver.

Regulatory performance

77. The BSB must comply with regulatory performance standards set by its oversight regulator, the Legal Services Board. The need to do so, as well as to demonstrate effective performance to our other stakeholders, has been at the heart of the development of our Reform Programme. The BSB will regularly update the LSB on progress and will continue to be accountable to the LSB under its Performance Assessment Framework. Improving performance remains a key priority for the BSB over the next year, and this will be overseen by the Performance and Strategic Planning Committee and by the Board itself.

Assessing and evaluating benefits

78. The Bar Standards Board assesses the benefits of regulatory interventions primarily through its well-developed analysis of regulatory risks (see the Risk function above) which draws on evidence from a range of sources, including: BSB's Regulatory Return; the reports received by BSB; intelligence provided by the Legal Ombudsman and Bar Mutual Insurance; feedback from stakeholders, including the Judiciary; and the BSB's own programmes of research and data gathering. The BSB then tests its assessment of risks and opportunities by consulting stakeholders, particularly stakeholders representing consumers.

79. The majority of strategic interventions are taken forward within a programme or project framework and governed by a programme or Project Initiation document which defines the benefits sought from the intervention in terms of the regulatory objectives and sets out, and manages, the associated risks to the realisation of those objectives. As such, there will be an evaluation of the impact of particular projects after a period of implementation has passed. Such impacts are therefore not reported on annually, but depending on the timescales for the individual project. As an example of this, we will shortly be publishing an evaluation of the impact of the Future Bar Training programme.

80. For the Reform Programme, we have set the expected contributions to regulatory outcomes for each of the key projects and we will be monitoring the impact against these over time. Please see ANNEX A (Reform Programme Explained).

81. In considering the anticipated versus actual benefits of the PCF for the current practising year, on which we consulted last year, we can refer to

- a Progress against the business plan (although this only gives a partial picture at present, as we are only part way through the year);
- b Progress towards improvements in KPIs.

82. A summary of the current year's business plan with updates for quarter 1 is available in the BSB's September Board papers⁶.

83. One of the commitments in this year's plan was to launch a balanced scorecard, in order to track operational performance. This is also in the September Board papers, and shows progress to date in improving timeliness. The overall picture is positive in the first quarter. The quality of our decisions remained high. We assessed a record number of reports on barristers (556) and dealt with the highest number of authorisations applications for over a year. Caseloads fell in both cases.

Non-PCF authorisation fees

84. Under s51(1) of the Legal Services Act 2007, a "practising fee" is defined as a fee payable by a person in circumstances where the payment of the fee is a condition which must be satisfied for that person to be authorised to carry on one or more reserved legal activities. Such fees must be approved by the LSB. The PCF is the main such fee paid by barristers. However, these are not the only fees charged by the BSB that are prerequisites for authorisation to undertake a reserved legal activity. This year, we are also reviewing the fees that we charge for entity authorisation. These fees have not been reviewed since they were introduced.

85. We propose to instigate a review of the methodology for calculating entity fees in the coming year. We will consider imposing a fee based on the income of the entity, rather than the number of authorised persons within it (as is the case at present). However, in the meantime we are proposing to increase the fees in line with inflation since they were originally set. For authorised bodies, an increase of 33.5% is proposed (inflation since 2014) and for licensed bodies, an increase of 32.6% is proposed (inflation since 2016). The proposed fees are attached in ANNEX C.

BSB pay reforms

86. The BSB continues to implement pay reforms, with the aim of aligning BSB pay for regulatory roles with the median pay levels for the sector over a number of years.

87. The increase in staff salaries has had a lasting and positive impact both on voluntary turnover rates and on the BSB's ability to fill vacancies. In September 2022, prior to our reward reforms, the voluntary turnover (resignation) rate stood at 20% p.a. As at September 2024, resignation rates have reduced to 4% p.a. This reduction in turnover rates is not solely attributable to our pay reforms, as there have been changes in the overall economy and recruitment market since 2022. However, our exit interview data from both 2021 and 2022 shows that pay was the most significant factor impacting on decisions to leave the organisation at that time.

⁶ <https://www.barstandardsboard.org.uk/static/5ad7af84-df53-4dcb-9fa68ef8e29e8af2/Board-agenda-Part-1-240926.pdf>

INCOME (REGULATORY AND NON-REGULATORY)

Table 16

	25/26	24/25	Change	% Change
Total Income	£000's	£000's	£000's	
PCF Income	24,758	21,980	2,779	12.6%
Non PCF Income	5,951	5,006	945	18.9%
	<u>30,709</u>	<u>26,986</u>	<u>3,723</u>	<u>13.8%</u>

88. Total income is forecast to be £30.7m. This represents a 13.8% increase on the amount budgeted in 2024/25 of £26.9m.

Changes in Non-PCF income:

Table 17

Non PCF Income	25/26	24/25	Change	% Change
	£000's	£000's	£000's	
Bar Council (Commercial, BRF, Inns sub)	2,505	2,400	105	4.39%
BSB (Regulatory income)	2,998	2,254	744	33.02%
RGP (Bank Interest)	447	352	95	26.96%
	<u>5,951</u>	<u>5,006</u>	<u>945</u>	<u>18.87%</u>

89. Non-PCF income will increase by 19% £945k. The Bar Council income will see an increase of 4% due to additional training, visa service, and business partner income. The Resources Group additional income is due to the continued high interest rates on bank deposits. Regulatory income is expected to increase by £744k due to an uplift in fees following a review using a full recovery cost approach.

NEXT STEPS

90. We welcome views from the profession on the planned budget for 2025/26 and the proposal to increase PCF and invite you to consider the questions below.

Please use the following link to give your feedback via the online form:

<https://r1.dotdigital-pages.com/p/4CGD-ZV4/practising-certificate-fee-and-budget-consultation-202526>

91. The consultation will close on Monday 13 January 2025 at 17:00.

Consultation Questions

A. Do you agree with the General Council of the Bar's proposal to increase the practising certificate fee (PCF) for 2025/26 as detailed in the consultation document?

B. Do you agree that the PCF for 2025/26 represents value for money?

C. Are you adversely impacted by the level of the practising fee due to a protected characteristic under the Equality Act 2010 (such as age, disability or gender) or due to your individual practising arrangements? If so, please tell us why and how we could meet your needs. Do you agree with our initial Equality Impact Analysis (EIA) of the practising fee, which we have provided with this consultation (Annex B)?

D. Do you agree with the proposed changes to the entities fees as detailed in ANNEX C

E. Do you have any other comments regarding the PCF or the General Council of the Bar budget for 2025/26?

If you prefer to respond via email, please use the following:

treasurer@barcouncil.org.uk

Malcolm Cree CBE
Chief Executive, The General Council of the Bar

THE BAR STANDARDS BOARD REFORM PROGRAMME EXPLAINED

This note explains why the Bar Standards Board is undertaking the Reform Programme and, as part of that Programme, is re-organising. It looks at the public interest outcomes we are pursuing as a regulator, articulates how the Bar Standards Board's own internal regulatory capabilities must evolve if we are to deliver those outcomes and sets out how the Reform Programme and its constituent projects will enhance those capabilities. The note concludes by outlining how we shall be measuring and evaluating progress.

Regulation for a purpose

Regulators exist to protect the public interest, particularly the interest of consumers in markets where economic power or asymmetries of information and expertise place them at a disadvantage. The Bar Standards Board is there to ensure that the barrister profession, and the legal services market it serves, work well for consumers and support the public interest in the rule of law. Our developing vision, accordingly, foresees:

An excellent and ethical barrister profession which inspires public confidence and advances the interests of justice.

Everything we do as a regulator should be guided by this public interest vision and deliver good outcomes for consumers. Those consumer outcomes might be summarised as good value and high quality legal services which meet consumers' changing needs and which, by doing so, boost public confidence in the justice system generally and in the barrister profession in particular.

Regulatory capabilities

The Bar Standards Board needs to have the capabilities which will enable it, through its regulation of the profession, to influence these outcomes. In particular, the Bar Standards Board must be equipped to:

- identify risks to the public interest and to the Regulatory Objectives and deploy the right regulatory interventions to address those risks; and

- exercise its functions of gatekeeping, supervision and enforcement promptly, fairly, efficiently and responsively so as to protect the public and improve public confidence in the Bar's ethical and professional standards.

These two capabilities are complementary. The first is about analysis and insight. The second is about effective intervention. But intervention will only be well targeted if informed by excellent insight. Insight will count for little if not harnessed to effective regulatory functions.

Continuing reform at the Bar Standards Board

The Bar Standards Board is committed to continuous improvement. Building on strong foundations and committed people, we have already made progress in reforming both our analytical and delivery capabilities. Over the last eighteen months, we have overhauled our Regulatory Risk Framework which governs our approach to analysing risks to the public interest. We have also set in hand reforms of our approach to gathering the intelligence and insight which feeds our framework. At the same time, we have made steady progress in improving the timeliness and efficiency of our regulatory functions, including our enforcement work.

Meanwhile other contributions to our reforms have been delivered and have shed fresh light on where we still need to improve. Our project to enhance our data and intelligence has identified the need to expand the depth and breadth of the information we collect about the market for barristers' services and to enhance our analysis of that intelligence. The independent Enforcement Review has given us independent confirmation of the areas where the enforcement system could be made more effective and efficient. The review of our Authorisations work, still in progress, has identified the need to bring greater coherence to our work on professional standards across barristers' careers from qualification to retirement.

A new Reform Programme

As we approach the second half of the decade, we have, therefore, decided to establish a new Reform Programme to bring together existing reform projects, but also to take forward the new priorities identified by these reviews and initiatives.

The Reform Programme aims at three principal regulatory improvements, all contributing to our public interest vision:

- proactive, consumer-focused regulation anchored on a much deeper, intelligence-based understanding of the market we regulate;
- modernised delivery for operational excellence: this will enable us to make good our public protection responsibilities and deliver our gatekeeping, supervision and enforcement functions quickly, efficiently and responsively with no loss of quality; and
- engaged, agile and committed people, including through a re-organisation designed to clarify accountabilities, to empower our people and to increase our efficiency.

These improvements will be delivered through 13 inter-related but self-standing projects. The projects are set out at annex A.

Re-organisation

Re-organisation is one of those projects and an enabler for all the rest. We began the process of re-organisation last year, when we split the former Regulatory Operations Department in two and made interim senior leadership appointments, but we are now completing that process by creating the focused accountabilities which are essential to success. Our revised organisation, effective from 2 December 2024, consists six departments making the following contributions to our work:

- **Strategy, Policy and Insight:** drawing on enhanced data, intelligence and research, the Department will identify future and current risks to the public interest, as defined by the Regulatory Objectives, and develop timely consumer-focused strategies to mitigate those risks and to seize opportunities. It will own our Handbook and Code of Conduct and lead on updating them. The Department will continue to lead on diversity at the Bar.
- **Regulatory Standards:** the Department will ensure that professional standards evolve to support the BSB's strategy, including to respond to changing consumer expectations and new technologies, and that the standards we expect are reflected and adhered to from qualification to retirement. The

Department will include the Supervision, Examinations and Authorisation functions of the Bar Standards Board and will also have a policy function responsible for the framework underpinning the qualification and continuing professional development of the barrister profession.

- **Regulatory Enforcement:** the Department will be accountable for our end-to-end enforcement process. It will act promptly and effectively where regulatory action is necessary for the protection of the public and to uphold proper standards in the profession.
- **Legal and Information Management:** the Department will own legal risks arising from the delivery of our regulatory functions, will handle litigation, provide legal advice to the organisation, will develop decision-making policies and guidance and oversee and support knowledge management systems. The Department will also lead on compliance with our statutory information law responsibilities.
- **Business Planning, Programmes and Engagement:** the Department will ensure that we have the business plans and resources needed to deliver our strategy and to deliver our functions, execute major programmes of work efficiently and to time, communicate effectively to our stakeholders about our plans and performance and ensure that our stakeholders are encouraged to engage with us so that all our policy making takes full account of its likely impact and their views.
- **People and Culture:** the Department will ensure that the Bar Standards Board's people are engaged and empowered, are motivated by compelling and relevant values and work within a diverse, inclusive and proactive culture.

The Governance and Corporate Services Team will continue to provide independent advice and support to the Board and to the Senior Leadership Team and will report to the Director General.

Implementation and timetable

Within the Reform Programme the executive team has prioritised the re-organisation because progress with other reforms depends on getting accountabilities right for the future.

The majority of the other projects, which constitute the Reform Programme, are either already underway or mobilising. That includes the project to implement the recommendations of the independent enforcement review.

The planning and shaping of how we take forward the implementation of these Enforcement Review recommendations, as well as the wider Reform Programme, involves considerable work. We are determined that project plans should be developed bottom-up and with regard to the demands made on colleagues across the Bar Standards Board, rather than imposed top-down. This will help ensure the reform plan for the next two years is coherent and achievable.

We nevertheless expect to complete the Reform Programme by the end of 2026. The work of reform will be a major element of our business plan for 2025/26.

Measuring success

Consistent with our public interest purpose, we shall measure the impact of our reforms primarily in terms of the improvements they facilitate in outcomes for the public interest and for the consumers of barristers' services. We shall, therefore, pay careful attention to our regular surveys of consumers' confidence and trust in both the Bar and in regulation itself. We shall monitor the competitiveness of the market, including the choice offered to consumers, the information available about price and quality to inform choice and the intensity of shopping around for barristers' services. We shall expect to see the Bar Standards Board identify and head off risks to consumers and to the public interest before any significant systemic harm results.

We shall also, of course, look at a range of intermediary outcomes which bear on the effectiveness and efficiency of the Bar Standards Board itself. These include measures of the quality, efficiency, speed and responsiveness of our regulatory functions. Internally, we shall be guided by our annual People Surveys and intervening pulse surveys. The note at annex A sets out how each of the projects constituting our

Reform Programme will contribute to regulatory outcomes and how we shall evaluate their success.

ANNEX A

PROJECTS CONSTITUTING THE BAR STANDARDS BOARD REFORM PROGRAMME

Proactive consumer focused regulation

Project	Expected contribution to regulatory outcomes	How measured
Risk Framework	Better analysis of potential risks to the public interest and to our regulatory objectives, permitting timely and effective regulatory interventions.	Survey evidence shows consumer trust in the Bar in particular and legal services in general is rising. Consumers suffer no major detriment as a result of systemic competence or ethical failures within the barrister profession.
Consumer focus	Our strategy and analysis of risk is informed by consumers' experience and expectations of the service they should receive from barristers.	As above, survey evidence shows rising consumer trust and confidence in the Bar
Data & intelligence	We gather more and better intelligence about risks to our regulatory objectives and, through high quality analysis, translate that intelligence	As above, systemic professional or ethical risks or market failures are identified early before significant consumer detriment results. Survey

	into insights which enable proactive regulation in the public interest.	evidence shows rising consumer trust and confidence in the Bar and in regulation.
Technology innovation	& We have good insight into the scope for technology to improve the cost-effective delivery of barristers' services and/or consumers' access to those services and are able to reflect those insights in our work on the formation of barristers and of professional standards	The cost of barristers' services falls as technology is deployed effectively to support the delivery of services without risk to quality. Consumers are better able to access the barrister market and to shop around thanks to on-line information and tools.
Website review	The Bar Standards Board website contains intelligible and high quality information for consumers enabling them better to understand what the Bar Standards Board can help with and what it can't and so reducing the volume of nugatory enquiries and reports.	Users' visits to the website grow and satisfaction with the website rises. The volume of nugatory reports/enquiries falls, so contributing to improvements in the costs and timeliness of the Bar Standards Board's operational work
Market intelligence	The Bar Standards Board builds a more complete understanding of how the	There is adequate supply of barristers to meet future demand. Demand is

	market for barristers' services works for consumers, including both the future supply of barristers and the effectiveness of demand for their services	made effective through choice and transparent information about cost and quality. Competition for barristers' services intensifies as a result driving up quality and driving down cost.
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Modernised delivery

Enforcement efficiency & effectiveness	The public is better protected and public confidence in regulation increased by an effective enforcement process which is fair, fast and efficient and which acts as a deterrent to unacceptable behaviour	Survey evidence shows rising confidence in regulation. The speed, efficiency and responsiveness of our enforcement process improves, without detriment to the quality of decisions.
Knowledge management	Our regulatory decision-making is more efficient and so more effective in protecting the public and deterring misconduct because decision-takers are effectively inducted and have easy access to up-to-date guidance on	As above, we see improvements in the speed and timeliness of regulatory decision-taking with no loss of quality. Our annual People Survey shows increasing engagement and

	our policies and lessons learned from case law	confidence in our front-line teams.
Systems review	Re-engineering our supporting systems – the Customer Relationship Management and Case Management systems – also improves efficiency, speed and job satisfaction.	As above.
Enforcement regulations	Our Enforcement Regulations provide a robust framework for fair, fast and efficient decision-making, including, where relevant, the provision of a tribunal service.	As above. The quality of the Bar Standards Board’s regulatory decision-taking is sustained by independent audit and by tribunal decisions.
Operational efficiency	The Bar Standards Board improves the cost-effectiveness of its operations with no detriment to quality.	As above, The cost of delivering the Bar Standards Board’s operational functions falls, while speed improves and quality remains high.

Engaged, committed and agile people

<p>Re-organisation</p>	<p>Our re-organisation of functions clarifies accountabilities and so enables the Bar Standards Board to be more effective in delivering regulatory outcomes in the public interest.</p>	<p>We see improvement in all the outcome measures outlined above.</p> <p>Our annual People Survey and intervening pulse surveys show continuing improvements in the already high levels of engagement and commitment.</p>
<p>Culture & values</p>	<p>The engagement and commitment of our people grows further thanks to a culture which emphasises inclusion, empowerment and agility.</p>	<p>As above; we see improvement in all the outcome measures outlined above.</p> <p>Our annual People Survey and intervening pulse surveys shows growing understanding of and commitment to our vision, purpose and ambition and strong identification with our values</p>

EQUALITY IMPACT ANALYSIS



EQUALITY IMPACT ANALYSIS (EIA)

Date of Assessment	<ul style="list-style-type: none"> 06/11/2024 																																																												
Assessor Name & Job Title	<ul style="list-style-type: none"> Richard Cullen (Director of Finance) / Sam Mercer (Head of Policy: E&D and CSR). 																																																												
Name of Policy/Function to be Assessed	<ul style="list-style-type: none"> PCF 2025-26 																																																												
Aim/Purpose of Policy	<p>1. This year there will be an increase to the annual PCF. To deliver an 8.5% increase in forecast PCF income, we are proposing that the fee be applied to all bands. However, band one will be widened to cover £0-£40k. This will shield those less able to pay. Raising the level of the band recognises the increase in the average wage in the UK over the years.</p> <table border="1"> <thead> <tr> <th>and</th> <th>New Banding</th> <th>2024/25 Fees</th> <th>8.5% Increase</th> <th>2025/26 Fees</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>£0 - £40,000</td> <td>£110</td> <td>£9</td> <td>£119</td> </tr> <tr> <td>2</td> <td>£40,001 - £60,000</td> <td>£291</td> <td>£25</td> <td>£316</td> </tr> <tr> <td>3</td> <td>£60,001- £90,000</td> <td>£585</td> <td>£50</td> <td>£635</td> </tr> <tr> <td>4</td> <td>£90,001 - £150,000</td> <td>£1,064</td> <td>£90</td> <td>£1,154</td> </tr> <tr> <td>5</td> <td>£150,001 - £240,000</td> <td>£1,616</td> <td>£137</td> <td>£1,753</td> </tr> <tr> <td>6</td> <td>£240,001 - £350,000</td> <td>£2,191</td> <td>£186</td> <td>£2,377</td> </tr> <tr> <td>7</td> <td>£350,001 - £500,000</td> <td>£2,341</td> <td>£199</td> <td>£2,540</td> </tr> <tr> <td>8</td> <td>£500,001 - £750,000</td> <td>£2,961</td> <td>£252</td> <td>£3,213</td> </tr> <tr> <td>9</td> <td>£750,001 - £1,000,000</td> <td>£3,133</td> <td>£266</td> <td>£3,399</td> </tr> <tr> <td>10</td> <td>£1,000,001 - £1,500,000</td> <td>£3,553</td> <td>£302</td> <td>£3,855</td> </tr> <tr> <td>11</td> <td>£1,500,001 and over</td> <td>£3,760</td> <td>£320</td> <td>£4,080</td> </tr> </tbody> </table> <p>2. The PCF is charged annually as part of the Authorisation to Practice process. On an annual basis barristers confirm they are fit to practise and pay an annual practising fee (PCF)</p>	and	New Banding	2024/25 Fees	8.5% Increase	2025/26 Fees	1	£0 - £40,000	£110	£9	£119	2	£40,001 - £60,000	£291	£25	£316	3	£60,001- £90,000	£585	£50	£635	4	£90,001 - £150,000	£1,064	£90	£1,154	5	£150,001 - £240,000	£1,616	£137	£1,753	6	£240,001 - £350,000	£2,191	£186	£2,377	7	£350,001 - £500,000	£2,341	£199	£2,540	8	£500,001 - £750,000	£2,961	£252	£3,213	9	£750,001 - £1,000,000	£3,133	£266	£3,399	10	£1,000,001 - £1,500,000	£3,553	£302	£3,855	11	£1,500,001 and over	£3,760	£320	£4,080
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	<ul style="list-style-type: none"> • <i>The fee provides the necessary funds for permitted purposes provided by the regulatory body (BSB) and the representative body (Bar Council)</i> • <i>It benefits the legal profession and society as a whole to have an appropriately funded regulator and representative body ensuring standards are improved and maintained and the benefits and needs of the profession are articulated to the wider society.</i> • <i>The intention is that barristers pay an annual fee based on ability to pay.</i>
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1. Evidence

What evidence will you use to assess impact on equality?											
<ul style="list-style-type: none"> • <i>We have completed an in-depth analysis of barristers with protected characteristics across the different income bands.</i> • <i>There will be an 8.5% increase for Band 1. The increase will amount to £9. This band contains the highest proportion of women, ethnic minorities, disabled and the highest proportion of those aged 25-34 years old. By increasing the band to £40k this helps mitigate any fee increase affecting this band.</i> • <i>Band 2 will start at £40,001, all other bandings will stay the same.</i> 											
Band	New Banding	Bottom (£)	Top (£)	Band midpoint (£)	2024 fees (£)	Change	2025 fee (8.5%) increase	New 2025 fee as a % of top band	New 2025 fee as a % of mid point	(Subsidy) / Supplement	
1	£0 - £40,000	0	40,000	£20,000.00	£110	£9	£119	0.30%	0.60%	(1,297)	
2	£40,001 - £60,000	35,001	60,000	£47,500.50	£291	£25	£316	0.53%	0.66%	(1,100)	
3	£60,001 - £90,000	60,001	90,000	£75,000.50	£585	£50	£635	0.71%	0.85%	(781)	
4	£90,001 - £150,000	90,001	150,000	£120,000.50	£1,064	£90	£1,154	0.77%	0.96%	(262)	
5	£150,001 - £240,000	150,001	240,000	£195,000.50	£1,616	£137	£1,753	0.73%	0.90%	337	
6	£240,001 - £350,000	240,001	350,000	£295,000.50	£2,191	£186	£2,377	0.68%	0.81%	961	
7	£350,001 - £500,000	350,001	500,000	£425,000.50	£2,341	£199	£2,540	0.51%	0.60%	1,124	
8	£500,001 - £750,000	500,001	750,000	£625,000.50	£2,961	£252	£3,213	0.43%	0.51%	1,797	
9	£750,001 - £1,000,000	750,001	1,000,000	£875,000.50	£3,133	£266	£3,399	0.34%	0.39%	1,983	
10	£1,000,001 - £1,500,000	1,000,001	1,500,000	£1,250,000.50	£3,553	£302	£3,855	0.26%	0.31%	2,439	
11	£1,500,001 and over				£3,760	£320	£4,080			2,663	
<ul style="list-style-type: none"> • <i>The above table compares the level of PCF paid by each of the income bands (mid point and top of band). This shows some variability across the income bands but they are all less than 1% of the income amounts. This data should not be viewed in isolation as in order to ensure that the burden to pay the PCF is reflective of the ability to pay, those on the lower income bands pay less than the flat fee (the flat fee would be £1,416 per barrister) and consequently those on the higher income bands pay more than the flat fee.</i> 											

2. Impact on Equality

<p>Consider whether the evidence listed above shows the potential for differential impact, either adverse or positive, for different groups. If there are negative impacts, explain how you will attempt to mitigate these. Mitigating actions can be described in more detail in your Action Plan (Section 4).</p> <ul style="list-style-type: none"> • <i>All groups will be able to access the PCF in the normal way.</i>

<p><i>Will people from all groups be able to access the service; will there be any barriers for certain groups?</i></p> <ul style="list-style-type: none"> • <i>Policy is based on ability to pay and should not discriminate unlawfully or provide any indirect discrimination.</i> • <i>Band 1 will be widened to £40k to take account of inflation.</i> 	
Race	<ul style="list-style-type: none"> • <i>As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.</i> • <i>Band 1 –the PCF will be widened £0- £40k as a recognition of the effects of inflation on the average wage in the UK.</i> • <i>Band 1 has the highest proportion of barristers from an ethnic minority background.</i>
Gender	<ul style="list-style-type: none"> • <i>As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.</i>
Disability	<ul style="list-style-type: none"> • <i>As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.</i>
Age	<p><i>As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.</i></p>
Sexual Orientation	<ul style="list-style-type: none"> • <i>As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.</i>
Religion/Belief	<ul style="list-style-type: none"> • <i>As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.</i>
Gender Reassignment	<ul style="list-style-type: none"> • <i>As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.</i>
Pregnancy/ Maternity	<ul style="list-style-type: none"> • <i>As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.</i> • <i>Includes PCF holidays and discounts to support return to work</i>
Marriage and Civil Partnership	<ul style="list-style-type: none"> • <i>Not applicable</i>
Other Identified Groups	<p><i>As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area</i></p>

How does the policy advance equality of opportunity?
<ul style="list-style-type: none"> The policy promotes payment of the PCF based on ability to pay with those earning the most paying proportionately higher fees

How does the policy promote good relations between different groups?
It is generally thought that those who earn more (and have benefited from a well regulated profession) should shoulder a greater burden for supporting the profession than those who earn less or are at the start of their careers.

3. Summary of Analysis

Now you have considered the potential impacts on equality, what action are you taking? (Mark 'X' next to one option and give a reason for your decision)		
a. No change to the policy (no impacts identified)	Your analysis demonstrates that the policy is robust and the evidence shows no potential for discrimination. You have taken all appropriate steps to advance equality and foster good relations between groups.	X
b. Continue the policy (impacts identified)	Continue with the proposal, despite any adverse impacts, provided it is not unlawfully discriminatory and is justified.	
c. Adjust the policy and continue	Take steps to remove barriers, mitigate impacts or better advance equality before continuing with the policy.	
d. Stop and remove the policy	There are adverse effects that are not justified and cannot be mitigated. The policy is unlawfully discriminatory.	
Reason for decision:		

It is not anticipated that there will be any negative effects from these changes to PCF. An analysis of the data post AtP will be undertaken to assess the validity of this assumption.

4. Action Plan for Improvement

Give an outline of the key actions that need taking based on any challenges, gaps and opportunities you have identified. Include here any action to address negative equality impacts or data gaps.

Action Required	Desired Outcome	Person Responsible	Timescale
<i>Analysis of the AtP results for impact on equality</i>	<i>Evidence to support the assumptions</i>	<i>Paul Martyn / Richard Cullen</i>	<i>Post AtP end of March 2025</i>

Non-PCF authorisation fees

Proposals for inflationary increases to regulatory fees

	24/25	24/25	24/25	24/25	Inflation from 2014 to 2024	25/26	25/26	25/26	25/26
Authorised Bodies - Size of Body	Application Fee	Authorisation Fee	Total Cost	Renewal Fee	33.5%	Application Fee	Authorisation Fee	Total Cost	Renewal Fee
Single Person	£260	£330	£590	£365		£347	£441	£788	£487
2-5 Person	£725	£875	£1,600	£1,000		£968	£1,168	£2,136	£1,335
6-15 (Simple)*	£1,000	£1,200	£2,200	£1,450		£1,335	£1,602	£2,938	£1,936
6-15 (Complex)*	£1,350	£1,600	£2,950	£2,000		£1,803	£2,136	£3,939	£2,671
15+ Person	£1,950	£2,300	£4,250	£2,900		£2,604	£3,071	£5,675	£3,872

*The distinction between simple and complex body refers to the number of authorised individuals in the entity and the nature of the business model. It is based on our view of the resource required to assess the application.

	24/25	24/25	24/25	24/25	Inflation from 2016 to 2024	25/26	25/26	25/26	25/26
Licensed Bodies (ABS) - Size of Body	Application Fee	Authorisation Fee	Total Cost	Renewal Fee	32.6%	Application Fee	Authorisation Fee	Total Cost	Renewal Fee
2-5 Person	1,460	1,190	2,650	1,725		1,936	1,578	3,514	2,287
6-15 Person	2,475	2,025	4,500	2,925		3,282	2,685	5,967	3,878
15+ Person	3,550	2,900	6,450	4,195		4,707	3,845	8,553	5,562